

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 12/31/2001**

	As of <u>12-31-01</u>	As of <u>6-30-01</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,348,602,848	\$ 1,308,028,885
INTERNATIONAL EQUITIES	542,972,944	514,564,916
DOMESTIC FIXED INCOME	1,167,930,713	1,202,840,894
INTERNATIONAL FIXED INCOME	116,088,529	125,377,934
REAL ESTATE POOL	184,593,855	208,727,065
VENTURE CAPITAL	77,116,689	98,385,006
INVESTED CASH (NOTE 1)	<u>66,052,322</u>	<u>58,551,081</u>
 TOTAL INVESTMENTS	 3,503,357,900	 3,516,475,781
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	18,171,955	20,263,974
CONTRIBUTIONS/ASSESSMENTS REC	4,619,120	6,616,070
MISCELLANEOUS RECEIVABLES	<u>1,528</u>	<u>2,166</u>
 TOTAL RECEIVABLES	 22,792,603	 26,882,210
 <b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	6,575,137	6,187,672
DUE FROM OTHER AGENCIES (NOTE 3)	2,353	53,684
FIXED ASSETS (NET) (NOTE 4)	<u>8,684</u>	<u>8,684</u>
 TOTAL ASSETS	 <u><u>\$ 3,532,736,677</u></u>	 <u><u>\$ 3,549,608,031</u></u>
 <b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	2,644,498	2,673,785
ACCRUED EXPENSES	275,991	240,023
DUE TO OTHER AGENCIES (NOTE 5)	<u>2,353</u>	<u>53,684</u>
 TOTAL LIABILITIES	 2,922,842	 2,967,492
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,546,640,539	3,701,142,773
CASH IN DURING YEAR (NOTE 6)	156,883,875	234,522,531
CASH OUT DURING YEAR (NOTE 7)	121,053,909	228,052,300
NET INCREASE (DECREASE)	<u>(52,656,670)</u>	<u>(160,972,465)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>3,529,813,835</u>	 <u>3,546,640,539</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 3,532,736,677</u></u>	 <u><u>\$ 3,549,608,031</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 12/31/2001**

	Month Ended <u>12-31-01</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 13,903,314	\$ 62,041,324
SECURITIES LENDING INCOME	<u>641,861</u>	<u>5,241,669</u>
	14,545,175	67,282,993
 GAIN ON SALE OF INVESTMENTS	 29,800,510	 200,232,313
LOSS ON SALE OF INVESTMENTS	<u>35,227,038</u>	<u>265,484,222</u>
 NET GAINS (LOSSES) INVESTMENTS	 (5,426,528)	 (65,251,909)
 INVESTMENT EXPENSES	 230,720	 4,850,305
SECURITIES LENDING EXPENSES	<u>547,494</u>	<u>4,682,219</u>
 NET INVESTMENT INCOME	 8,340,433	 (7,501,440)
 NET APPREC (DEPREC) MARKET VALUE	 26,015,361	 (30,921,392)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(5,125)</u>	<u>(25,039)</u>
 TOTAL INVESTMENT INCOME	 34,350,669	 (38,447,871)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 4,996,848	 21,161,933
PURCHASED SERVICE CREDIT (NOTE 9)	39,103	648,620
PENALTY & INTEREST (NOTE 10)	<u>(222)</u>	<u>73</u>
 TOTAL ADDITIONS	 <u>39,386,398</u>	 <u>(16,637,245)</u>
 DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	5,596,090	33,676,718
REFUNDS TO MEMBER (NOTE 12)	<u>242,550</u>	<u>1,731,541</u>
 TOTAL BENEFITS PAID	 5,838,640	 35,408,259
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	62,405	387,709
OPERATING EXPENSES	33,000	218,807
EQUIPMENT	<u>0</u>	<u>4,650</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>95,405</u>	 <u>611,166</u>
 TOTAL DEDUCTIONS	 <u>5,934,045</u>	 <u>36,019,425</u>
 NET INCREASE (DECREASE)	 <u><u>\$ 33,452,353</u></u>	 <u><u>\$ (52,656,670)</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**December 31, 2001**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                    OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                    DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                    CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**12/31/2001**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.